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Poland

Product Brief

Value-Added Products

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Report Highlights:

Poland's food retailing sector continues to undergo radical transformation as consumer incomes grow. The presence of foreign hypermarkets continues to grow; however, prospects for U.S. sales are hampered by stiff Polish and EU competition. Poland's GDP demonstrated a growth of 1.3 percent in 2002, and domestic demand only slightly increased from two percent in 2001 to 3.3 percent in 2002.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Warsaw [PL1], PL

Section I. Poland's Demographics

The Republic of Poland is the ninth largest country in Europe and is located in Europe's very center, bordering Germany to the West, the Czech and Slovak Republics to the South, Ukraine, Belarus, and Lithuania to the East, and Russia to the North. In addition, Poland's northern coastline runs along the Baltic Sea, which supplies its productive seafood industry. The largest rivers include the Vistula, Odra, Warta, and Bug, all of which provide vital transport and water. Poland's well-developed timber industry is supported by forests which cover 28 percent of the country. (The climate is relatively moderate with 20-35 degree Celsius summer temperatures and winter temperatures of zero to negative 20 degrees Celsius. The average rainfall per year is 600 mm per year).

Poland's population of 38.7 million represents 5 percent of the total population in Europe. Sixty-two percent of the population lives in urban areas. The average density is 24 people per square kilometer. The population is almost split evenly between males and females. Poland's population is very young with 63 percent under the age of 45 and an average age overall of 19 years.

Poland's GDP has been growing, showing a 1.3 percent increase in 2002. It is moving toward stabilization with a projected 2.5-3 percent increase in the next few years, with an expected 2.8 percent growth in 2003. Domestic demand is the main reason for economic growth slowdown, only slightly increasing from two percent in 2001 to 3.3 percent in 2002. Projections for 2003 show that domestic demand will remain at the same level in 2003. Poland's overall economy is improving, with inflation dropping to 2 percent from 5.5 percent in 2001. However, the current unemployment rate (18.1 percent) continues to grow. In 2002, State revenues increased 2 percent while expenditures increased 5.6 percent. This is an improvement compared to 2001 when state revenues increased 3.4 percent and expenditures increased 14.4 percent.

Section II. Foreign Investment and Trade Summaries

Poland's largest western foreign investor is France, investing \$12.2 billion in capital, while Russia continues to be Poland's largest eastern foreign investor, investing \$1.3 billion in capital. Foreign Direct Investment (FDI) decreased from \$7.1 billion in CY 2001 to 6.06 billion in CY 2002. Foreign investment is primarily needed for modernization of food processing plants. Today, raw materials continue to be the most popular food processing imports.

As noted in our Exporter Guide (see Table IV), food and beverage purchases accounted for 30 percent of total consumer spending in CY 2001. While CY 2002 GDP growth slowed to 1.3 percent, consumers still demand a greater variety of products. This guide is designed to assist exporters in identifying and taking advantage of opportunities for U.S. high value products in a changing market as Poland moves toward EU accession.

Table I. U.S. Imports of Consumer-Orientated Products by Poland

(in US\$1000)

Product	2001		Product	2002
Poultry	7,449		Poultry	2,306
Fresh fruit	6,801		Fresh fruit	7,642
Processed fruit	5,497		Processed fruit	3,567
Alcohol	3,420		Processed oils	3,303
Coffee, cocoa	747		Alcohol	4,236

Table II. EU Imports of Consumer-Orientated Products by Poland
(in US\$1000)

Product	2001		Product	2002
Fresh fruit	273,728		Fresh fruit	265,752
Processed oils	118,190		Processed oils	146,970
Coffee, cocoa	100,466		Coffee, cocoa	130,869
Confectionary	89,798		Confectionary	97,603
Alcohol	60,697		Fresh vegetables	86,229
Fresh vegetables	83,939		Flowers	80,646

Table III. World Imports of Consumer-Orientated Products by Poland
(in US\$1000)

Product	2001		Product	2002
Fresh fruit	482,897		Fresh fruit	479,828
Processed oils	168,417		Processed oils	193,396
Coffee, cocoa	333,332		Coffee, cocoa	365,385
Confectionary	112,211		Confectionary	126,880
Alcohol	94,753		Fresh vegetables	97,621
Fresh vegetables	95,873		Flowers	88,501

Source: Foundation of Assistance Programs for Agriculture (FAPA)

The Polish government works to ensure the safety and quality of food for Polish consumers through a number of regulatory means. Most of the newer measures are consistent with those observed in the European Union. The most important regulations can be found in Poland's Food and Agricultural Import Regulations and Standards (FAIRS) report (see Table IV).

The most recent changes are noted in the following chapters: F. Other Regulations and Requirements - Phytosanitary, Veterinary, Waste Disposal reg.; I. Import Procedure - Import

Duty, Tariff Rate Quotas, VAT and Appendix I - Government Regulatory Agency Contacts.

The development of tourism, increased employment of women, and annual income increases have resulted in expansion of the Hotel, Restaurant, and Institutional (HRI) Food Service Sector (see Table IV). For Poles living in urban areas, eating out is no longer a rarity, as it was in the early 90's. Consumers are also developing an interest in food variety, ranging from Mediterranean to Asian, with a specific demand for fast food.

Processed foods, which account for 31 percent of all Polish agricultural and food imports, represent the most popular import type in this sector.

Poland's food retail sector continues to undergo radical transformation as consumer incomes grow. This change is led by new foreign hypermarkets which increased from 27 in 1996 to 112 in 2000. They are projected to expand to 170-190 in 2003 and will account for more than 40 percent of retail food sales within the next five years. Prospects for U.S. sales are hampered by stiff Polish and EU competition, comparatively high import duties, stringent food ingredient regulations, and costly terms of business to get products onto large retailers' shelves. Nevertheless, there are select opportunities outlined in section IV, "Best Prospects," in the Post's Retail Food Sector report.(see Table IV). These include, but are not limited to:

- highly processed/ready-to-cook products & snacks,
- food for the HRI food service sector,
- various non-alcoholic beverages, wine and beer,
- "healthy food" produced from natural agricultural products with a low levels of pesticides, mineral fertilizers, and other chemicals applied for their cultivation,
- processed meat, fish, fruits and vegetables, and spices,
- "luxury" food and drinks, produced from exotic raw materials for people with the highest incomes,
- food ingredients for special use, e.g., sweeteners replacing sugar, protein or vitamin preparations necessary for production of diet foods.

Section III. Office of Agricultural Affairs, Warsaw

The Office of Agricultural Affairs, Warsaw represents the United States Department of Agriculture, Foreign Agricultural Service (FAS) in Poland. FAS supports U.S. food and agriculture exporters in the Polish market and can provide lists of Polish companies importing food and agricultural products.

FAS prepares several of the reports mentioned above annually. FAS also generates reports, which contain regulations on preparing goods for shipment, regulations concerning documentation which should accompany goods, and details on border/entry regulations. These include information about restrictions concerning food additives, veterinary procedures/mandates, and sanitary regulations for products.

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For additional information/details on the Polish market, please see the following table of reports. All can be accessed by visiting the FAS web site <www.fas.usda.gov> and clicking on the link, Attache Reports.

Table IV. Additional Reports

Report	Revised Annually on or about:	Latest GAIN Report #
1. Food Processing Sector	January 2	#PL3003
2. Exporter Guide	September 30	#PL2027
3. FAIRS (Country Report)	July 31	#PL3022
4. HRI Food Service Sector	January 2	#PL3001
5. Retail Foods Sector	November 15	#PL2036

Following this report, is a copy of Polish imports and exports with the world and the United States. These reports are based on information obtained from the Foundation of Assistance Programs for Agriculture (FAPA). Also, updated BICO reports can be accessed at <www.fas.usda.gov/scripts/bico/bico_frm.asp> and searching by country for Poland. These reports U.S. exports to Poland and imports from Poland.

Table V: Value

Polish Agri-Food Trade with the World						
Group/ Commodities	Exports (\$ thousand)			Import (\$ thousand)		
	2000	2001	2002	2000	2001	2002
I. Animal Products						
A. Live Animals (1-4)	133,365	119,792	138,626	41,029	39,347	44,359
1. Horses	38,311	38,057	32,039	4,339	4,487	2,477
2. Livestock	84,904	70,613	94,480	10,231	768	10,338
3. Sheep	5,505	5,735	4,887	85		33
4. Other	4,644	5,387	7,218	26,375	34,092	31,511
B. Processed Products (5-11)	567,423	721,299	682,351	180,777	135,741	166,305
5. Red Meat & Offals	126,704	138,885	166,645	60,018	38,413	75,237
6. Poultry Meat & Offals	74,025	106,381	128,295	11,730	23,308	21,870
7. Meat Products	116,229	88,053	91,078	9,750	8,188	10,187
8. Animal Fats	13,015	9,045	8,155	5,605	8,406	8,639
9. Milk, Cream, & Ice-Cream	176,554	265,833	181,109	56,834	36,506	27,429
10. Butter	6,065	25,426	17,444	17,839	5,377	6,568
11. Cheeses & Curds	54,831	87,677	89,625	19,001	15,544	16,376
12. Other Animal Products	59,306	53,885	75,076	166,867	102,374	111,916
C. Other	195,040	214,508	226,032	296,059	355,130	321,151
13. Fish & Crustaceans	129,901	133,128	124,478	267,385	323,035	281,656
14. Fish Products	65,139	81,380	101,553	28,673	32,096	39,495
Total (1-14)	955,134	1,109,484	1,122,085	684,732	632,592	643,731
II. Crop Products						
D. Raw Materials	211,815	287,777	353,357	841,285	886,791	844,936
15. Cereals	3,017	2,215	65,044	232,541	173,452	114,047
16. Oilseeds	6,060	67,030	9,587	45,730	47,354	52,070
17. Fresh Potatoes	2,574	2,680	4,309	16,306	9,024	12,868
18. Fresh Fruits	100,601	79,116	107,941	412,216	482,897	479,828
19. Fresh Vegetables	65,372	96,172	120,885	71,100	95,873	97,621
20. Flowers	34,192	40,564	45,590	63,393	78,190	88,501
E. Processed Products (21-29)	969,170	1,039,103	1,135,773	739,529	905,419	949,411
21. Vegetable Fats & Oils	29,579	24,301	17,867	163,996	168,417	193,396
22. Cereal Milling Products	5,052	6,122	7,861	33,972	29,006	28,574
23. Cakes & Meals	16,800	29,015	23,504	198,443	316,387	323,237
24. Starch, Croups, Malt	28,992	32,336	37,440	50,372	66,638	53,872
25. White Sugar	92,055	81,571	50,374	14,469	18,324	26,191
26. Molasses	16,658	24,379	25,191	11	18	9
27. Confectionery	182,081	200,178	220,016	89,482	112,211	126,880
28. Fruit Products	385,070	379,838	475,579	125,452	123,497	127,162
29. Vegetable Products	212,883	261,363	277,940	63,332	70,920	70,090
30. Other Crop Products	237,557	278,463	365,043	275,053	340,956	376,668
Total II (15-30)	1,418,542	1,605,343	1,854,173	1,855,868	2,133,165	2,171,015
Total (I+II)	2,373,675	2,714,827	2,976,257	2,540,600	2,765,757	2,814,746

III. Other Products						
31. Coffee, Cocoa, Tea	136,254	120,702	117,599	376,332	333,332	365,385
32. Tobacco & Preparations	63,996	80,709	49,051	92,436	119,935	195,428
33. Spirits & Alcoholic Drinks	40,341	49,429	57,793	92,604	94,753	104,706
34. Water & Non-Alcoholic Drinks	16,467	11,736	21,865	13,213	18,293	12,965
35. Other	19,266	52,679	62,503	67,400	73,925	82,427
Total III (31-35)	276,326	315,255	308,811	641,984	640,237	760,911
Total (I+II+III)	2,650,001	3,030,082	3,285,068	3,182,584	3,405,994	3,575,657

Table VI: Quantity

Polish Agri-Food Trade with the World						
Group/ Commodities	Exports (Tons)			Imports (Tons)		
	2000	2001	2002	2000	2001	2002
I. Animal Products						
A. Live Animals (1-4)						
1. Horses	26,330	20,212	16,419	2,869	3,576	1,745
2. Livestock	59,997	46,213	67,227	7,063	431	5,130
3. Sheep	3,329	3,189	2,713	16		
4. Other	1,838	1,053	1,607	2,661	3,073	2,381
B. Processed Products (5-11)						
5. Red Meat & Offals	94,031	82,829	119,344	49,728	30,553	53,822
6. Poultry Meat & Offals	32,955	38,048	51,660	13,413	23,549	25,548
7. Meat Products	84,140	46,900	42,449	5,507	4,131	5,704
8. Animal Fats	48,120	20,501	21,513	8,494	14,501	12,248
9. Milk, Cream, & Ice-Cream	122,216	174,630	178,853	55,888	36,183	30,023
10. Butter	3,028	18,606	11,849	12,322	3,495	4,615
11. Cheeses & Curds	33,697	45,388	41,765	6,700	4,815	4,818
12. Other Animal Products	40,483	40,957	55,082	367,882	85,135	100,954
C. Other						
13. Fish & Crustaceans	52,227	50,343	44,155	254,458	239,367	199,164
14. Fish Products	37,248	39,681	42,087	17,715	18,402	21,129
Total (1-14)						
II. Crop Products						
D. Raw Materials						
15. Cereals	15,461	8,972	566,654	1,792,332	1,163,052	617,386
16. Oilseeds	29,780	297,629	37,285	102,159	89,910	98,731
17. Fresh Potatoes	46,016	49,460	57,544	137,144	39,702	66,302
18. Fresh Fruits	306,471	351,825	428,501	989,210	997,756	950,610
19. Fresh Vegetables	236,350	327,147	256,547	148,452	186,679	176,993
20. Flowers	31,950	37,308	43,980	45,778	53,718	54,723
E. Processed Products (21-29)						
21. Vegetable Fats & Oils	56,495	41,946	33,456	324,224	360,693	358,115
22. Cereal Milling Products	14,436	11,652	21,955	265,297	206,891	207,467
23. Cakes & Meals	160,187	226,437	202,482	934,523	1,498,602	1,572,700
24. Starch, Croups, Malt	157,360	160,112	166,334	228,531	205,829	181,686
25. White Sugar	427,898	295,135	207,793	55,170	63,984	86,046

26. Molasses	242,713	279,115	251,819	6	32	5
27. Confectionery	79,034	88,853	89,164	58,582	68,409	69,525
28. Fruit Products	435,664	503,347	552,734	136,808	164,684	137,763
29. Vegetable Products	328,134	412,212	411,719	82,762	98,763	87,309
30. Other Crop Products	188,285	167,065	198,842	181,004	169,903	180,709
III. Other Products						
31. Coffee, Cocoa, Tea	49,859	49,766	48,597	242,318	254,617	236,488
32. Tobacco & Preparations	15,716	19,072	11,547	27,146	34,973	54,405
33. Spirits & Alcoholic Drinks	36,303	40,288	42,300	120,999	118,202	122,862
34. Water & Non-Alcoholic Drinks	66,916	47,606	106,056	38,100	55,667	3,606,871
35. Other	35,936	75,143	77,531	95,359	99,389	99,090

Table VII: Value

Polish Agri-Food Trade with the United States						
Group/ Commodities	Exports (\$ thousand)			Import (\$ thousand)		
	2000	2001	2002	2000	2001	2002
I. Animal Products						
A. Live Animals (1-4)	548	622	643	671	419	109
1. Horses	544	617	620	126	63	16
2. Livestock					13	22
3. Sheep						
4. Other	5	5	23	545	343	70
B. Processed Products (5-11)	42,085	41,243	43,666	7,455	10,254	9,671
5. Red Meat & Offals	24	26	68	886	2,012	6,606
6. Poultry Meat & Offals	8	0		6,247	7,449	2,306
7. Meat Products	30,227	29,223	31,903	19	115	1
8. Animal Fats	3	35	6	267	292	702
9. Milk, Cream, & Ice-Cream	459	964	496	2	382	55
10. Butter	43	1,820	284	0		
11. Cheeses & Curds	11,322	9,174	10,909	34	4	1
12. Other Animal Products	2,919	2,853	2,907	9,913	5,785	7,430
C. Other	4,760	8,658	15,084	545	1,229	4,573
13. Fish & Crustaceans	3,972	5,521	6,815	540	1,219	4,563
14. Fish Products	788	3,137	8,269	5	11	11
Total (1-14)	50,312	53,376	62,299	18,584	17,687	21,783
II. Crop Products						
D. Raw Materials	661	328	824	10,808	10,758	15,265
15. Cereals	10	11	18	1,847	1,575	2,253
16. Oilseeds	2	10	23	2,869	1,693	4,540
17. Fresh Potatoes		0				0
18. Fresh Fruits	69	27	18	5,361	6,801	7,642
19. Fresh Vegetables	7	11	104	126	134	133
20. Flowers	573	270	661	606	556	696

E. Processed Products (21-29)	28,918	28,408	45,516	7,086	13,172	9,143
21. Vegetable Fats & Oils	74	268	357	536	4,715	3,303
22. Cereal Milling Products	380	405	380	117	31	17
23. Cakes & Meals			0	352	567	121
24. Starch, Croups, Malt	8,027	4,324	10,542	164	715	310
25. White Sugar	121	42	40	35	2	5
26. Molasses	3,188	3,535	2,588		0	0
27. Confectionery	6,059	6,993	10,364	206	784	1,157
28. Fruit Products	6,528	7,566	15,337	4,859	5,497	3,567
29. Vegetable Products	4,540	5,276	5,908	818	861	663
30. Other Crop Products	6,246	6,916	9,047	13,250	17,257	21,596
Total II (15-30)	35,824	35,652	55,387	31,144	41,187	46,004
Total (I+II)	86,136	89,028	117,686	49,728	58,874	6,787
III. Other Products						
31. Coffee, Cocoa, Tea	718	1,526	1,743	972	747	864
32. Tobacco & Preparations	0	24	10	16,591	14,596	22,521
33. Spirits & Alcoholic Drinks	19,423	23,976	28,258	3,431	3,420	4,236
34. Water & Non-Alcoholic Drinks	1,143	1,682	2,365	334	321	178
35. Other	17	10	13	2,552	3,175	3,495
Total III (31-35)	21,302	27,217	32,390	23,880	22,260	31,294
Total (I+II+III)	107,438	116,245	150,075	73,607	81,134	99,081

Table VIII: Quantity

Polish Agri-Food Trade with the United States						
Group/ Commodities	Exports (Tons)			Imports (Tons)		
	2000	2001	2002	2000	2001	2002
I. Animal Products						
A. Live Animals (1-4)						
1. Horses	6	4	2	2	4	3
2. Livestock					6	11
3. Sheep						
4. Other	1	1	3	7	6	1
B. Processed Products (5-11)						
5. Red Meat & Offals	19	20	46	1,235	1,597	4,248
6. Poultry Meat & Offals	15	0		8,042	7,533	2,376
7. Meat Products	7,162	7,020	7,748	7	26	0
8. Animal Fats	3	27	2	5	5	12
9. Milk, Cream, & Ice-Cream	230	590	353	0	237	60
10. Butter	16	1,908	190	0		
11. Cheeses & Curds	3,729	2,947	3,685	18	1	0
12. Other Animal Products	314	311	300	12,270	7,060	8,806
C. Other						
13. Fish & Crustaceans	959	1,348	1,684	315	521	2,316
14. Fish Products	237	1,144	2,887	2	1	0
Total (1-14)						

II. Crop Products						
D. Raw Materials						
15. Cereals	10	17	26	5,821	2,550	5,622
16. Oilseeds	1	4	10	3,334	2,728	56,287
17. Fresh Potatoes		0				0
18. Fresh Fruits	30	43	14	6,199	9,701	9,178
19. Fresh Vegetables	4	5	145	235	218	147
20. Flowers	55	16	33	340	211	205
E. Processed Products (21-29)						
21. Vegetable Fats & Oils	61	211	262	420	10,602	6,498
22. Cereal Milling Products	589	706	659	112	32	23
23. Cakes & Meals						
24. Starch, Croups, Malt	6,290	4,936	13,482	1,265	2,058	520
25. White Sugar	368	116	105	27	0	1
26. Molasses	31,505	42,015	26,578		0	0
27. Confectionery	1,787	2,101	3,669	184	1,066	933
28. Fruit Products	5,446	9,184	18,290	3,267	3,713	2,142
29. Vegetable Products	4,453	5,716	6,779	591	745	603
30. Other Crop Products	2,725	3,170	3,892	3,086	1,644	2,155
Total II (15-30)						
Total (I+II)						
III. Other Products						
31. Coffee, Cocoa, Tea	213	715	769	174	295	689
32. Tobacco & Preparations	0	16	48	2,830	2,142	3,504
33. Spirits & Alcoholic Drinks	12,144	14,161	15,733	1,528	1,696	1,755
34. Water & Non-Alcoholic Drinks	5,487	7,646	10,083	133	116	65
35. Other	20	20	2	1,746	2,088	3,032